

## SENATE BILL No. 21

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** P.L.234-2007, SECTION 300.

**Synopsis:** Additional 2007 homestead credit. Provides that in a county that, after December 31, 2007: (1) issues bills or revised bills for property taxes first due and payable in 2007; or (2) issues a reconciling statement for property taxes first due and payable in 2007; the county council may adopt a resolution authorizing the county auditor and the county treasurer to apply the additional 2007 homestead credit as a credit against property tax liability or as a refund.

**Effective:** Upon passage.

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**Young R Michael, Lubbers, Breaux,  
Miller, Merritt, Delph, Waltz, Howard**

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November 20, 2007, read first time and referred to Committee on Tax and Fiscal Policy.

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Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

## SENATE BILL No. 21

A BILL FOR AN ACT concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. P.L.234-2007, SECTION 300, IS AMENDED TO  
2 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: SECTION  
3 300. (a) The definitions in IC 6-1.1-1, IC 6-1.1-20.9, and IC 6-1.1-21  
4 apply throughout this SECTION.  
5 (b) Subject to appropriation of money from the property tax  
6 reduction trust fund for an additional 2007 homestead credit, the  
7 department of local government finance shall calculate and certify to  
8 the department of state revenue and the county auditor of each county  
9 an additional homestead credit amount for property taxes first due and  
10 payable in 2007. **Except as provided in subsection (g)**, the additional  
11 homestead credit shall be paid as a refund as provided in this  
12 SECTION for part of the tax liability (as defined in IC 6-1.1-21-5)  
13 imposed on the taxpayer's homestead for the March 1, 2006, or January  
14 15, 2007, assessment date. The department of local government finance  
15 shall make the certification based on the best information available at  
16 the time the certification is made. Not later than November 1, 2007, the  
17 department of state revenue shall distribute to the county treasurer of  
18 each county the amount certified for the county under this subsection.



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The county treasurer shall deposit the amount distributed in a separate account and use the money only for the purposes of providing property tax refunds under this SECTION.

(c) At the same time as the department of local government finance makes the certification under subsection (b), the department of local government finance shall certify to the county auditor of each county the percentage that would apply in each taxing district to provide an additional 2007 homestead credit to taxpayers in the taxing district. The county auditor shall use the certified percentage to determine the amount of the refund due to each taxpayer. The county auditor shall certify the amount of the refund for each taxpayer to the county treasurer not later than the December 20, 2007, settlement date. IC 6-1.1-26 does not apply to a refund granted under this SECTION.

The amount of the refund is equal to the lesser of the following:

(1) The amount of the taxpayer's tax liability (as defined in IC 6-1.1-21-5) on a homestead for the March 1, 2006, or January 15, 2007, assessment date, after the application of all other credits.

(2) The additional 2007 homestead credit determined for the taxpayer.

The department of local government finance, the department of state revenue, and the property tax replacement fund board shall take the actions necessary to carry out this SECTION.

(d) The amount of the refund **or the amount of a credit under subsection (g)** shall be applied first against any delinquent property taxes owed in the county by the taxpayer. The county auditor shall issue a warrant for or authorize disbursement by electronic transfer of the remainder of the refund. The refund shall be:

(1) mailed to the last known address of each person liable for any property taxes or special assessment, as shown on the tax duplicate or special assessment records, or to the last known address of the most recent owner shown in the transfer book; or

(2) transmitted by written, electronic, or other means to a mortgagee maintaining an escrow account for a person who is liable for any property taxes or special assessments, as shown on the tax duplicate or special assessment records.

(e) In addition, the county auditor shall mail to the last known address of each person liable for any property taxes or special assessment on each homestead in the county, as shown on the tax duplicate or special assessment records, or to the last known address of the most recent owner shown in the transfer book a written explanation of the refund. The explanation must include the amount of the refund

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specified in the following statement in at least 12 point type:

"A portion of your local property taxes due in 2007 are being refunded due to tax relief provided by the Indiana General Assembly. Your refund is in the amount of \$\_\_\_\_\_ (insert amount of refund). If you did not receive a check because you pay your property taxes through an escrow account along with your mortgage, your lender will receive the refund and should adjust your payments accordingly."

(f) Any part of the amount distributed to a county under this SECTION that is not applied, ~~or~~ refunded, **or credited** as provided in this SECTION shall be transferred to the auditor of state for deposit in the property tax reduction trust fund.

**(g) This subsection applies only to a county that:**

**(1) issues property tax statements or revised property tax statements for the March 1, 2006, or January 15, 2007, assessment date after December 31, 2007; or**

**(2) issues a reconciling statement for the March 1, 2006, or January 15, 2007, assessment date after December 31, 2007.**

Notwithstanding any other provision in this SECTION, the fiscal body of a county subject to this subsection may adopt a resolution authorizing the county auditor and the county treasurer to apply the additional 2007 homestead credit under this SECTION in that county as a credit against property tax liability or as a refund. If the additional 2007 homestead credit is applied as a credit, the amount of a taxpayer's refund determined under subsection (c) shall instead be applied as a credit against the taxpayer's property tax liability as shown on the property tax statement or reconciling statement described in subdivision (1) or (2). If any part of the additional 2007 homestead credit remains after it has been applied against the taxpayer's property tax liability as shown on the property tax statement or reconciling statement described in subdivision (1) or (2), the county auditor and the county treasurer may apply the remaining part of the credit as a credit against the taxpayer's property tax liability for the March 1, 2007, or January 15, 2008, assessment dates or may refund the remaining part of the credit to the taxpayer in the same manner as refunds under this SECTION are otherwise payable. Subsection (e) does not apply to a credit applied under this subsection. The department of local government finance may prescribe procedures to apply the additional homestead credit under this subsection.

~~(g)~~ **(h) This SECTION expires January 1, 2009.**

**SECTION 2. An emergency is declared for this act.**

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